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E.O. 12958: DECL: 06/11/2016  
TAGS: [ECON](#) [ETRD](#) [EINV](#) [SY](#)  
SUBJECT: SECOND SYRIAN-EMIRATI ECONOMIC FORUM DRAWS  
PROMINENT PERSONALITIES, BUT GENERATES LOW EXPECTATIONS

REF: A. DAMASCUS 0005

[1](#)B. DAMASCUS 2439

[1](#)C. DAMASCUS 641

Classified By: CDA Kathy Johnson-Casares for reasons 1.4 b/d

[1](#)1. (SBU) The SARG continues to try to attract Gulf foreign direct investment (FDI), as evidenced by the second Syrian-Emirati Economic Forum, entitled "Visions Beyond Investment," which opened in Damascus on June 10 and drew a crowd of approximately 2000 the first day. The forum opening featured statements by several prominent personalities including former German Chancellor of Germany Gerhard Schroeder, and was emceed by George Kerdahi, host of a popular Middle East game show. In the past year, Gulf investors awash in petro-dollars have taken a more active interest in Syria - especially its booming real estate market (ref A and B) - which was a point raised by Sheikh Tarek bin Faysal al-Qasimi, CEO of the Economic Development Department in Sharja, UAE. Deputy PM for Economic Affairs Abdullah Dardari used the occasion to praise the investment climate in Syria, focusing specifically on the SARG's estimates for Syria's GDP growth in 2005 (4.5% overall and 5.5% for non-oil exports) and its support for private sector job creation and infrastructure development. Syrian press reports have trumpeted the success of the forum, citing nine new bilateral agreements and discussions of new private sector joint ventures, and heralding the ground-breaking of Emirati Imaar Group's \$500 million real estate project that was started over six months ago (ref C).

[1](#)2. (SBU) Syrian business contacts who attended the forum's opening day events offered a lukewarm reaction, with most acknowledging that the forum represented a repackaging of the same message and that they did not anticipate any significant, tangible benefits as a result. During his speech, Dardari was unable to offer any information when asked about the proposed amendments to Syria's investment law, human resource development in Syria, or the need for foreign labor to assist in achieving economic reforms in banking and finance. Furthermore, statements we heard by Shroeder and al-Qasimi focused only marginally on promising investment in Syria, with Schroeder speaking on issues surrounding regional stability in the Middle East and Qamisi highlighting UAE's economic success story.

[1](#)3. (C) Comment: The Syrian-Emirati Economic Forum represents

another highly publicized event through which the SARG can continue to hype Gulf FDI. However, the forum provided no details on systemic changes that will encourage real economic gain for Syria's economy. Attendance at the second day of the forum, which was minimal and included next to no Emirati attendees, suggests that the overall confidence of participants in the potential outcomes of the forum are limited. Despite the SARG's projections in its tenth Five-Year plan indicating that future economic growth is dependent on FDI, comments from some Syrian businessmen suggest that the development of Syria's economy is not contingent solely on Gulf investment - which is concentrated in the real estate and tourism sectors - but on the SARG's ability to support meaningful economic reform.

JOHNSON-CASARES